

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
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SMALL MINING OPERATIONS 2007 PROGRESS REPORT  
January 1, 2007 to December 31, 2007

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: 50190059
2. Mine Name: LEONARD MURPHY #1 MINE
3. Name of Operator/Permittee: EARTH ENERGY RESOURCES, INC.  
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.
4. Mine Location: PORTIONS OF THE SE $\frac{1}{4}$  OF THE SE $\frac{1}{4}$  OF SECTION 35, TOWNSHIP 15S, RANGE 23E  
AND THE SW $\frac{1}{4}$  OF THE SW $\frac{1}{4}$  OF SECTION 36, TOWNSHIP 15S, RANGE 23E
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined 0 Tons, or 0 yd<sup>3</sup>  
Waste Material Moved 0 Tons, or 0 yd<sup>3</sup>  
New Disturbance 0 Acres during 2007  
Area Reclaimed 0 Acres during 2007  
Total Disturbed Area 3.59 Acres\*

Was the ore shipped off site? If not, where is the ore located? MINED ORE  
IS LOCATED ALONG THE ACCESS ROAD TO THE MINE PIT  
Where is the waste located? THE WASTE IS LOCATED ALONG THE  
SOUTHEAST WALL OF THE MINE PIT

\*Total life of mine disturbance to the end of 2007.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

NO RECLAMATION WORK WAS PERFORMED IN 2007. THIS  
AREA IS INCLUDED IN A NOTICE OF INTENT FOR LARGE MINE  
OPERATIONS SUBMITTED TO DOGM IN SEPTEMBER, 2007.

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): BARCLAY CUTBERT  
Title of Operator: VICE PRESIDENT  
Signature of Operator: Barclay Cutbert  
Date: 28 JANUARY 2008

Reviewed  
2/1/08  
[Signature]